Observation Services

What is it…

What do I need to know…

How does it apply…

OBJECTIVES

- Disseminate information about the current utilization of observation services in the United States
- Review the current definition of “Observation Services” within DOD
- Identify current issues with capturing the workload of the patients in “Observation Services” status

HISTORY OF OBSERVATION

- Early 1980's--Many Emergency Departments began to organize and operate Observation Units
- 1983--Prospective payment (DRG)
- Late 1980's--Creation of 23-hour units

GOALS OF OBSERVATION SERVICES

- “The objective is to improve the quality of medical care for the *patients* through extended evaluation and treatment with the added goal of reducing inpatient admission costs.” --Michelle Carlin, MD

TERMINOLOGY

- Holding Unit
- Observation Status Bed
- Observation Unit
- Clinical Decision Making Unit
- Chest Pain Center

OUTPATIENT SERVICES

- Ambulatory Procedure Visit (APV)
- Clinic Visit / Extended Clinic Visit
- Observation Services

OBSERVATION SERVICES

- "…those services furnished by a hospital (the term "hospital" includes DOD clinics with resources to provide these services) on the hospital premises, including the use of a bed and periodic monitoring by a hospital's nursing or other staff, which are reasonable and necessary to evaluate an outpatient's condition or to determine the need for possible admission to the hospital as an inpatient. Such services are covered only when provided by order of physician or another individual authorized by State licensure law and hospital staff bylaws to admit patients to the hospital or to order outpatient tests. Most observation services do not exceed twenty-three hours. However, in some instances, based on medical necessity, up to 48 hours of observation services may be justified."
  -Medicare and DOD Health Affairs

OBSERVATION SERVICES

- “the period of observation begins when the patient is placed in observation.” --MEDCOM

SERVICES NOT CLASSIFIED AS OBSERVATION

- Stay in excess of 48 hours (unless deemed necessary following medical review)
- Provided for convenience of patient, family or provider (but not reasonable or necessary for diagnosis or treatment)
- Inpatient services
- Services associated with APVs

SERVICES NOT CLASSIFIED AS OBSERVATION

- Routine prep services prior to diagnostic testing and recovery afterwards
- Observation concurrent with treatments (i.e.: chemotherapy)
- Postoperative monitoring
- Substitution for medically appropriate inpatient admission

SERVICES NOT CLASSIFIED AS OBSERVATION

- Standing orders for observation following outpatient services
- Discharge from inpatient admission to outpatient observation

OBSERVATION SERVICES

Observation units are not geographic distinctions, but rather ***applications***

of standardized evaluation and treatment guidelines, focused and directed algorithms*, and therefore an advancement in the delivery of health care.*

ESTABLISHING OBSERVATION SERVICES

- Determine which type of service meets your patient care needs
- Get all the “players” together
- Develop a scope of practice outlining the types of patients to be admitted under observation
- Ensure everyone understands the purpose of the observation service

ESTABLISHING OBSERVATION SERVICES

- Successful implementation of "Observation Services" at your facilities will require close coordination in capturing
  - Clinical Data
  - Billing Data
  - MEPRS Data

WHY OBSERVATION SERVICES?

- Observation is the “right thing to do”
- Aligning ourselves with the civilian community
- Observation decreases LOS
- Malpractice litigation

JCAHO STANDARDS

- Continuum of Care 2.1
- To ensure that patients are cared for in appropriate settings and services, criteria define:
  - Care provided
  - Specific needs that care meets
  - Patient information that determines eligibility for the setting
  - Acceptance of referrals

JCAHO STANDARDS

- When care is provided in a short-stay unit, the hospital also determines:
  - Scope of services it can provide
  - Patient population appropriate for admission, based on physiological parameters approved by a professional staff
  - Specific circumstances under which such patients will be admitted

OBSERVATION UNITS ACROSS THE UNITED STATES

No evidence that observation costs less, but reimbursement is better

REPORTED U.S. ARMY OBSERVATION SERVICES

- Consensus
  - There is much confusion concerning what is termed Observation Services

CURRENT OBSERVATION SERVICES IN THE ARMY

- NONE
- 4-bed CDU on M/S floor
- overnight “observation” on post-op/post-procedure patients as well as observation status

CURRENT OBSERVATION SERVICES IN THE ARMY

- Nurse managed observation unit (confusion r/t OB patients receiving “at least 20 minutes of FHT observation.”)

- Observation status

CURRENT OBSERVATION SERVICES IN THE ARMY

- EOU (4), Pediatric Obs unit (6), Adult Obs unit (14 flex-beds)

- Two 5-bed observation units. One unit for USDB, and one for observation/SDS

CURRENT OBSERVATION SERVICES IN THE ARMY

- “Observation beds on short-stay unit”

- Observation status. “Observation unit designated in new facility, unsure if will have enough staff to open it.”

CURRENT OBSERVATION SERVICES IN THE ARMY

- “Observation status on M/S and Mother/Baby unit”

CONCLUSION

- Observation Services can provide improved service to our population
- Proper planning is imperative
- Educate all players on observation medicine
- Observation Medicine is here to stay